

Implicit Bias Awareness and Cultural Competency



Chapter 4: Practicing Cultural Competency

1 . Chapter Overview

No matter if you are new to the business or are a veteran real estate agent, your success depends on your ability to work with other people. And now those people are multifaceted, multiracial, and multicultural. However, when you follow the Platinum Rule, “Treat others the way THEY want to be treated,” you are more likely to get clients and listings, make sales, and have a successful real estate career.

When working with people from another culture or background, you need to understand them and where their ideas of right and wrong come from. Remember, culture is the way we were raised and the values, beliefs, and standards for behavior we learned. This socialization affects our relationships, the way we do business, and our reactions to events, circumstances, and other people. As a real estate agent, you will likely interact with people from a variety of backgrounds and cultures on a daily basis. Some may be very similar to your own, and others can be vastly different.

Cultures are so diverse because values, beliefs, and standards for behavior are not universal. Why do we have so many problems dealing with cultural diversity and inclusion? What is right for one person may not be right for someone else, and what is important to a member of one culture may not be important to a member of another culture.

2 . Chapter Overview (cont.)

Cultural diversity itself isn't a problem — our differences have always been there; they're what make us unique. The problems lie in our attitudes toward diversity. People who have negative attitudes toward other people's differences often engage in negative behaviors that cause misunderstandings. Because culture influences how people think and act, it is important to have an understanding of the different cultures you may encounter. Cultural diversity not only means foreign or immigrant cultures but also subcultures maintained by groups already in this country who preserve some distinct identity.

Learning Objectives

After completing this chapter, you should be able to:

- Describe ways to work with people from diverse backgrounds.
- Discuss types of effective communications.
- Explain how to handle buyer's and seller's biases.

3 . Working with Diverse People

Cultural misunderstandings can get in the way of a successful real estate career. Even though it is the people and not the culture who communicate with each other, the beliefs, values, and behaviors inherent in a culture often determine how people communicate. In order to communicate with a person whose background may be unlike the agent's own, it helps to anticipate how the other's culture may both resemble and vary from the agent's culture. Although cultures generally deal with the same kinds of activities and values, they may have ways of doing so that are unique. This uniqueness is what leads to diversity and sometimes to misunderstandings.

Diversity is so much more than skin color, race, or gender. For example, if you put forty native-born 25-year-old, English-speaking white females of the same religion into one room, they would all be different. Diversity simply means "differences," and no two people are identical. When we group people of one color, gender, or ethnic group into just one big category, we ignore all the other ways that make them diverse. In addition to their cultural background, other factors that create diversity in people include personality style, thinking style, and assertiveness level.

No two people are identical, and even if one of us is right, the other person does not have to be wrong. We must learn to accept people for who they are, not who we want them to be.

4 . Factors in Diversity: Personality Type

Throughout history, people have tried to explain differences in personality. Knowing how to identify people by personality type can bring a higher level of understanding to business and personal relationships. Based on their personality type, some people love to work in teams; some are loners. Some people want facts and figures before they decide; some go with a gut feeling. Some people are cheerful all the time; others seem to have the weight of the world on their shoulders.

Personality types are based on grouping behavior into four categories.

Type A (director) generates ideas and insist on results.

Type B (socializer) promotes those ideas.

Type C (thinker) makes certain that key details are covered, and the project is done well.

Type D (supporter) makes sure the ideas are carried out and bring stability to the group.

The key to dealing with the different personality types is to develop all four sides of our own personalities so we can adjust ourselves to the people we meet.

5 . Factors in Diversity: Thinking Style

Thinking style is the way people listen, receive, think about, and process information. It is subconscious and automatic, although it might change because of age or disability. There are three major categories of processing styles: seers, hearers, and feelers.

"Seers" (visual people) prefer to receive information visually. They like to read, and they want information given to them in written form. If you call a highly visual person on the phone and say, "Here is what I need you to do," he or she might say, "Would you text me or e-mail me that?" No matter how many times you tell them, they need to see it. Seers use visual words. "I can't visualize how that would work." They can be listening to a radio and say, "Did you see what he said?"

"Hearers" (auditory people) will ask for information in an auditory form, usually the phone. If you send them a note, they will say, "Yes, I saw it, but I didn't have time to work on it. Can we talk about it now?" No matter how many texts or e-mails you send them, they'll still want to hear it. Hearers use auditory words like, "I like the way that sounds."

"Feelers" (kinesthetic people) want to meet about the matter. They like to see your face and see your body language. If you write or call, they'll still want to get together. Feelers use feeling words like, "This is a touchy issue." or "This doesn't feel right." They also like the sensory perception of touching things and people.

Of course, people cross over from one style to another, but researchers say that we stay in our own comfort style 70% of the time. So, identifying and adapting to someone's primary style can be an effective way of communicating with them.

6 . Factors in Diversity: Assertiveness Level

Assertiveness is another factor that influences diversity. **Assertiveness** can be defined as the power we use to make our needs, wants, and desires known to others.

You can't change another person's level of assertiveness, but you can deal effectively with people of different assertiveness levels by adjusting your level to meet theirs. Try to determine how assertive the other person is and adjust your behavior accordingly. When speaking with less assertive people, try lowering the volume of your voice and pausing occasionally to give them a chance to talk. When speaking with highly assertive people, increase the volume of your voice, and don't be afraid to express your opinion. Just remember, you can't change them; you have to change yourself.

7 . Trompenaar's Cross-Cultural Communications

With so many ethnic groups in America, there are bound to be cultural differences when working with clients and customers. As a result, you may have misunderstandings. Dutch

organization theorist, Fons Trompenaar, studied cross-cultural communications and speculated that national cultural differences can be expressed in seven ways, which he called dimensions. Each dimension contains two opposites.

Understanding these national cultural differences will help you be successful if you work in one of these cultural dimensions.

8 . Universalism vs. Particularism (Rules vs. Relationships)

Universalism refers to cultures that place a high value on contracts and the rule of law. Particularism examines each situation within the circumstances in which it occurs.

Example Countries:

Universalistic: United States, Canada, Great Britain, Australia, New Zealand, Germany, Switzerland, and Scandinavia.

Particularistic: Indonesia, China, Russia, and South America.

Example. America is a task-based culture. In task-based cultures, transactions come before relationships. Business is conducted on the basis of confidence in a person's competence, abilities, and experience. In task-based cultures, business decisions occur quickly on the basis of assessments of competence and reliability and are finalized with signed contracts. Task-based cultures are more concerned with what you do than who you are.

In relationship-based cultures, relationships come before transactions. Business decisions are made on the basis of warm relationships and friendships. Many meetings might be needed before business is transacted. Business decisions are formulated slowly as the parties get to know each other personally. Relationship cultures are more concerned with who you are, rather than what you do.

Building relationships can seem tedious for members of task-based cultures. In task-based cultures, deadlines and punctuality are valued. Members of relationship-based cultures, on the other hand, can feel rushed and pressured by members of task-based cultures. The eagerness of task-based cultures to conduct business before relationships have had a chance to develop can breed distrust and suspicion.

9 . Individualism vs. Collectivism (Individual vs. Group)

Individualistic cultures stress the needs of the individual over the needs of the group as a whole. Collectivist cultures emphasize the needs and goals of the group as a whole over the needs and desires of each individual.

Example Countries:

Individualistic: United States, Canada, Israel, Great Britain, Scandinavia, Switzerland, South Africa, Australia, and New Zealand.

Collectivistic: China, Japan, South Korea, and countries within South America.

Example. Roberto brought in an important new client for the brokerage, yet he'd hardly mentioned his achievement. When Roberto's sales manager mentioned his success during a sales meeting, Roberto seemed embarrassed and emphasized the contributions of the other members of his team. The same week, Robert also brought in a major client, which he definitely talked about and took all the credit for it.

Why are their reactions so different? Some people in the brokerage wondered why Roberto was so low-key about his accomplishment and others wondered why Robert's behavior was so rude. Many Americans tend to be individualistic, and Latinos tend to be collectivistic.

Based on our understanding of individualism vs. collectivism we know that people raised with American values tend to be motivated by incentives, personal compliments, recognition of achievement, and increased responsibility. Traditional Latinos believe in placing the group before the individual. So, a person who was raised with Latino values will probably defer all individual praise to the team. Instead of forcing Roberto to accept individual praise when he is clearly uncomfortable with it, Roberto's sales manager could follow Roberto's example and praise the entire team.

10 . Neutral vs. Emotional (Don't show emotion vs. Show emotions)

People from a neutral culture hold their emotions in check, while those in an emotional culture express their feelings openly.

Example Countries:

Neutral: United Kingdom, Sweden, Finland, Germany, Japan, and China.

Emotional: Italy, France, Spain, Israel, Latin America, and Poland.

Example. Susan likes it when someone compliments her on her outfit, so she assumes that other women also appreciate compliments. But when she complimented Akira on her new dress, Akira looked down at the floor, murmured softly, and hurried away.

How should Susan interpret Akira's behavior? If Susan were following the Old Golden Rule, she might think Akira was being rude or unappreciative. But if she followed the Platinum Rule, instead of assuming the worst, she would try to understand why Akira reacted as she did. Susan might be more understanding if she knew that many Japanese believe that accepting praise in front of others is vain. Instead of complimenting Akira in front of others, she could mention it to her quietly.

11 . Specific vs. Diffuse (Work life vs. Private life)

With specific and diffuse is meant the difference between people who keep their work life and their private life strictly separated, and people who tend to let both aspects of their lives overlap.

Example Countries:

Specific: United States, Great Britain, Switzerland, Germany, Scandinavia, the Netherlands, and Australia.

Diffuse: Argentina, Spain, Russia, India, and China.

This example of two different approaches to friendship shows how easily misunderstandings can occur.

American culture emphasizes independence, so people raised in the U.S. typically leave home at an early age. They may accept a job in another state and continue to move throughout their lives. Because American society is so mobile, Americans try to make friends quickly.

More traditional cultures, like Asian, Indian, or Latin American cultures, emphasize family and long-term relationships. People who grew up in traditional cultures don't move around as quickly or easily. They often are born and die in the same city. They have lifelong friends and take time to get to know new people before accepting them as friends.

Americans also tend to have work friends, social friends, and neighborhood friends. Members of other cultures more often include friends in all aspects of their lives. So, if you are friendly at work, they may not understand why you don't invite them to socialize. These differences could lead to misunderstandings, creating an unpleasant working relationship.

12 . Achievement vs. Ascription (Status based on Performance vs. Person)

Achievement orientated cultures base a person's status and respect on his or her competence and performance, whereas in ascription orientated cultures titles, rank and hierarchy are important in and of themselves. Often these titles are bestowed upon individuals not because of any achievement of their own, but because of a family's rank and status in the society.

Example Countries:

Achievement: United States, Austria, Israel, and Switzerland.

Ascription: China, Venezuela, Japan, and Saudi Arabia.

13 . Sequential vs. Synchronic (One at a time vs. Several at a time)

In sequential cultures time is seen as linear and being on time is important. A task is finished before starting another. In synchronic cultures time is seen as circular and tasks are worked on simultaneously

Example Countries:

Sequential: United States, Netherlands, and Germany.

Synchronic: Japan, Argentina, and Mexico

14 . Internal vs. External Control (Locus of control)

Locus of control describes the degree to which individuals perceive that outcomes result from their own behaviors, or from forces that are external to themselves.

Example Countries:

Internal: Israel, Norway, United States, Australia, New Zealand, and Great Britain.

External: Venezuela, China, Russia

For more information on Trompenaars's theory, click and open the [Model of National Culture Differences](#). After reviewing, return to your course.

15 . Communicating Effectively

Working with people from different backgrounds will become commonplace if it isn't already. The key to effective communication is stop assuming that others share our beliefs, perspectives, values, and motivations. This is **self-centric thinking**. If we're not careful, we project our ways of thinking onto others. We expect them to see situations the same way we do, to draw the same conclusions that we do, and behave in all sorts of circumstances as we would. However, when their words or actions don't conform to our own idea of how things are (or should be), we're surprised.

The way to deal successfully with people from different backgrounds is to create a comfortable n environment for open, honest communication. With open communications, we should all feel free to be our authentic selves — while treating others with respect. We should be able to tell each other when something bothers us, without overreacting. Relationships, especially in business, grow stronger with discussion and compromise.

When it comes to communication, it's important that all written and verbal communications are civil and respectful, include non-discriminatory and inclusive language, and respect confidentiality and personal information.

16 . Create a Comfortable Environment

People communicate more openly when they feel comfortable and typically, people feel more comfortable with others who share their culture or background.

When engaged in any new communication, most agents will try to make the other person more comfortable. This is especially important when working with someone who does not share their culture. One way to make the other person feel comfortable to is learn about their culture so as not to inadvertently insult, reject, or in some other way, alienate the other person.

Agents can raise the general comfort level by being sensitive to the other's needs and feelings. They should watch the behavior of others before acting and then adjust their actions as needed to meet the other person's context and behavior. Of course, agents should use basic manners and etiquette as they learn how best to communicate with the other person.

17 . Encourage Open Communication

Agents need to encourage open communication with coworkers, clients, and customers so that they all can communicate effectively and transparently without fearing judgment. When communicating with people from another background or culture we need to be careful that we do not say or do something without thinking and end up hurting someone else. Although we may not intend it, we sometimes say things that can be interpreted as racist, sexist, or offensive in some way. We can avoid misunderstandings if we take the time to think about how our words and behavior might affect others, and if we communicate with thoughtfulness.

Understand and Respect Individual Differences. Keep an open mind toward others who are different from you. Remember that not everyone sees things through the same lens.

Let Other People Know How You Want to be Treated. Don't be afraid to speak up if another's actions make you uncomfortable. How will people know that you find a particular expression or behavior offensive unless you tell them? And, if someone has the courage and sensitivity to tell you how you've offended them, don't get defensive.

The only way you can correct the situation is through honest communication. Don't say, "That's not what I meant! What's the matter with you?" Say, "I'm sorry you heard it that way. That's really not what I meant. Can I clarify and tell you what I did mean?"

18 . Encourage Open Communication (cont.)

Learn How Others Want You To Treat Them. Use the New Golden Rule, which sometimes is called the Platinum Rule. The **Platinum Rule** is “Treat others the way they would like to be treated.” This is a better mindset.

For example, if you're confused about how to pronounce an unfamiliar name, or whether a person would rather be called Black or African American, ASK. Your question will not only help you learn how to avoid misunderstandings and conflict but also will communicate a respect that will strengthen your relationships.

Don't assume that Hispanics and Latinos want to be referred to by the term, “Latinx” which is a word meant to disrupt the grammatical binary that is inherent in Spanish. Univision's Joaquin Blaya has said. “We built a network around our Spanish language, and we have a shared culture around it. Why are we trying to change this? It is offensive to a lot of people.” An ICR-Miami for Americano Media poll surveyed 1,500 Hispanic voters across fifteen states from February 20 to March 11, 2022. The poll revealed that more than 6-in-10 Hispanic Americans refer to themselves as “Hispanic” whereas about 3-in-10 use the term “Latino.” Only 1.7 percent of Hispanic Americans said they used the term “Latinx.” The poll showed that the “Latinx” term is unpopular among registered Democrat and Republican Hispanics as well as among Independents.

19 . Minimize Communication Faux Pas

Real estate agents know that effective communication is the hallmark of a successful career, so they do not intentionally try to insult or demean people. However, when beginning to work with people from another background, mistakes may happen. Apologize when it occurs and learn from the misstep in order to avoid making the same faux pas in the future.

We need to recognize and accept that people are different and have different areas of sensitivity.

Refer to Different Groups of People in an Equal Manner. If we are referring to several different groups of people, we need to use language that treats each group equally. When we list ethnic backgrounds on an application, for instance, they should match in format.

Do Not Use the Wrong Name to Refer to a Culture or Group. We risk alienating members of other cultures or groups when we refer to them by a name they would prefer not to be used. Some common examples of this are Indian instead of Native American, Oriental instead of Asian, Eskimo instead of Inuit. Unfortunately, even people in the same culture or group sometimes disagree on what they would like to be called. When you're in doubt, the one sure way to learn what people prefer is to ask.

Do Not Mispronounce Names. Few things are more frustrating than hearing your name mispronounced, no matter how well-intentioned the speaker. As our workplace becomes more culturally diverse, native English speakers must learn how to deal with names from a variety of cultures. Some of these names may be difficult to spell or say. To avoid offense, always ask whether you are pronouncing and spelling the name correctly. The order of names can also be confusing. Some cultures place the surname last, some place it first, and some use no surname at all.

20 . Minimize Communication Faux Pas

Use Titles And Honorifics Correctly. Commonly used honorifics in English include Mr., Mrs., Ms., Captain, Coach, Professor, Reverend (to a member of the clergy), and Your Honor (to a judge). Different social uses of these words in tell a lot about how a region or country values deferential titles. The use of ma'am and sir is common in the South and is a sign of respect.

Age also plays a part in what to call people, even in America. Many of the "older" generation still prefer the terms "Mr." and "Mrs." In some other cultures, younger people must show respect by using the terms "Aunt" and "Uncle" for older people, even if the "younger" person is ninety. This tradition has been practiced in Africa for many generations, and many African Americans continue it in their homes.

In business, Asian and Middle Eastern employees may be more comfortable using a courtesy title with their manager's first name (Mrs. Kay, Mr. Jeff) than using just the first name. So, it may be hard for members of some cultures to jump right in to the first-name-at-work routine.

Do Not Use Inappropriate Labels or Terms. The way we refer to other people within our organizations can be offensive to people, especially if we use terms like boss, superior, and subordinate. Employees are not subordinate to anybody — nor are those who supervise them superior. Departments may have a manager, but in today's world, the concept of a boss is becoming outdated. Safer choices for describing your organizational structure include manager, supervisor, team leader, team member, assistant, or associate.

And remember, the “master” bedroom is now the “primary” bedroom.

21 . Communicating with Non-Native English Speakers

In 2021, almost 14.2 percent of all U.S. citizens were not born in the U.S., so many people speak English as a second or third language, and many are still learning English. This language gap can contribute to a variety of misunderstandings.

If you are a native speaker of English, don't assume that someone understands you just because they speak to you in English or nod in agreement. Members of many cultures will not question you about unfamiliar words or expressions, because they believe that to do so is disrespectful, suggesting you didn't make yourself clear. They may also be afraid of appearing as though they have trouble understanding instructions.

People who are not native English speakers, should ask the person speaking to slow down or repeat themselves. It will not be considered rude.

To communicate effectively with non-native English speakers, try the following techniques:

- Avoid jargon, slang, and idioms.
- Slow down your speech (but don't talk louder -- hearing is not the problem).
- Use simple words.
- Pronounce and enunciate clearly.
- Repeat your ideas in different words.

- Check for understanding.

22 . Nonverbal Communication

Our nonverbal communication, or body language, can also be a source of misunderstanding. It's true that our actions often speak louder than our words. Our unspoken messages are usually understood by our peers but may easily be misinterpreted by people from other races, genders, cultures, age groups, or economic backgrounds. Although our world is becoming smaller, we will never all share the same language, culture, or mannerisms. No gestures are universal.

Worse yet, sometimes our tongues say one thing, our gestures say another thing, and our symbols (clothing, jewelry, hairstyles, facial hair, body markings) say yet another thing. Mixed signals can be very misleading to other people, especially people who come from an area where the words, gestures, or symbols mean something entirely different.

Some actions that can be misleading include:

Gestures. Many use inappropriate gestures without ever thinking about how they might affect people. We fold our arms, stand in a certain position, move our body in a way that might be considered provocative or rude, or make eye contact when we shouldn't. It's so easy to offend people without really knowing it.

23 . Nonverbal Communication (cont.)

Movement. Something as simple as how we sit may send an unintended message. For instance, people with a European heritage are sometimes offended by the open way American men cross their legs while sitting. For your European associates, it expresses crudeness. Americans in turn suspect that European men are effeminate because of the tight way they cross their legs and the limpness of their handshakes.

Misunderstandings occur too often simply because another person does not stand, sit, or speak the way others do.

Personal Space. We also differ in our "comfort zones" — and getting too close to someone can become misunderstanding. Have you ever walked up to someone and had him back away from you? Perhaps members of his culture don't enjoy having people that close to them, while you were raised to get up close and personal. (Americans have a comfort zone of 8 inches to 3 feet, Mexican Americans will accept closeness up to 18 inches, Japanese Americans want a distance of 3 to 6 feet) The person you stood too close to may not even be consciously aware that conversational distance or personal space was an issue -- he simply knows that he feels uncomfortable.

24 . Nonverbal Communication (cont.)

Eye Contact. This follows the same principle as personal space. Typically, Americans are taught that the more eye contact they give, the more power they are perceived to have. In many cultures, however (especially Asian, Mexican, Latin American, Native American, and Caribbean), less eye contact is more respectful. Many African Americans were also raised this way. Americans are sometimes confused by this when their employees, coworkers, or customers don't give them the eye contact they expect. They begin to think that something is wrong or that the other person is doing something they're ashamed of. Jumping to these conclusions can harm your relationships.

Touching. Touch is another area that causes misunderstanding. People in positions of authority sometimes think they can touch employees without causing offense, yet they get upset if someone from their support team reaches out to touch them. The rule of equality says that we should not use a behavior without being willing to receive it as well. Still, any touch other than a handshake is not wise behavior in the business setting; it is too easy to misunderstand. Shaking hands is always a polite way to greet people in America, and an occasional pat on the back is acceptable.

Opening Doors. If you open a door for a woman or offer to take her coat when she arrives, and she takes offense, apologize, and explain your position: "Sorry, that's just my heritage showing." But do remember not to open the door for her the next time. Today's guideline for opening doors is not based on gender, age, or hierarchy. The rule is that whoever is in the lead opens the door and holds it for the other. As for coats, most people prefer to handle their own.

25 . Handling Buyer’s and Seller’s Biases

Every day agents face fair housing issues, sometimes, without realizing it. Seemingly, innocuous questions or comments from buyers and sellers can open the proverbial can of worms before an agent even knows what's happened. Even though you are not violating the law or committing discriminatory conduct, you may be confronted with prospective clients or buyers who are not so conscientious. However, you have no control over your seller’s or buyer’s implicit or explicit biases. How do you deal with them and conclude a successful transaction? As we’ve seen, everyone has implicit biases so sellers will too.

To protect yourself, you should have a consistent approach to greeting people, showing homes, qualifying prospects, obtaining listings, conducting open houses, keeping records, and following up with prospects.

26 . Agents Responsibilities

Real estate licensees get education and training on ethics and fair housing before getting a license and after licensure. In fact, it is “drummed” into us. Most licensees working in residential real estate also are members of a real estate trade association like the National Association of REALTORS® (NAR), Asian Real Estate Association of America (AREAA), National Association of Hispanic Real Estate Professionals (NAHREP), and National Association of Real Estate Brokers (NAREB or Realtists). All of these associations have a

code of ethics that members must follow. We all know that real estate agents who show explicit bias by violating fair housing laws, will be subject to disciplinary action from their real estate licensing board and will be sanctioned by their trade association. These are grave consequences for real estate agents, so for the most part real estate agents follow the law.

27 . Dealing with Buyers' Biases

Frequently, buyers ask you about the racial composition of a given neighborhood or tell you that they don't want to live near people belonging to a certain group. You can refer buyers to experts in this field, someone who would actually be in possession of the demographics in a particular area. This way, buyers get a factual answer to their questions, and not the agent's opinion, which may or may not be a representation of the true statistics. Even if the agent's opinion is fairly accurate, it is safest to avoid answering questions of this nature.

If prospective buyers ask an agent a specific opinion question, such as, "Would you live in this home?" it is illegal for the agent to answer with an opinion based on religion, race, color, sex, national origin, familial status, disability, or any of the protected classes. However, it is okay to make factual statements based on various features within the home.

The same applies to questions an agent may receive about his or her opinion of a neighborhood. If the agent makes comments about the neighborhood's features in relation to its location within the city, closeness to shopping, or other benefits, that's okay. However, it's important that an agent's opinion does not in any way relate to race or any of the other protected classes.

Fortunately, agents can direct buyers to several websites to easily obtain factual answers about schools, demographics, crime, shopping, recreational facilities, places of worship, etc., in fact, just about everything.

28 . Dealing with Seller's Biases

A seller may instruct you not to sell to persons of certain races or religions, or a buyer may ask questions that would lead you to violate the law merely by answering the questions. If, you are posed questions about the buyer that have nothing to do with the sale, you have to handle the situation carefully. If you are asked about the color, religion, ethnicity, familial status, or other "protected class" characteristics of a buyer, you must tell the seller it is inappropriate for you to give out such information.

Caution is important in such situations—if the person making such statements is a client or prospective client, the safest course may be to walk away from a listing or property management contract. The potential distractions, expense, and harm to your reputation from a lawsuit is never worth the profit from a single sale.

Before agreeing to work with a client, real estate licensees should make it clear that their brokerage takes fair housing laws seriously. For example, before even entering into a listing agreement, a real estate professional should explain the importance of compliance with the federal, state, and local fair housing laws and secure a commitment to this prior to agreeing

to list the property. Agents should carefully document the facts of the offer so that the broker cannot be charged with failure to present the offer in a fair and nondiscriminatory manner.

29 . Dealing with Seller’s Biases (cont.)

In order to prevent implicit bias on the part of the seller:

- Offers from prospective buyers will presented so that personal information of the buyer is not disclosed. Offers will NOT include the buyer’s name, occupation, present residence, or other characteristics of the buyer that could identify them as members of a protected class.
- Buyer’s “love letters” may not be presented to the seller.
- Broker will terminate the listing if the seller decides that offers from members of a protected class will not be considered.

This also applies to buyer representation. If a buyer asks you about the ethnic composition of a neighborhood—or for any information prohibited by law—your response to the buyer is that the law prevents you from answering the question.

30 . Seller’s Bias: Create a Comparison Chart for Multiple Offers

More than one buyer might submit an offer for the same property resulting in multiple offers on the most desirable homes. To avoid potential implicit bias, listing agents should prepare a comparison chart or spreadsheet so the relevant differences between offers are clear. The chart will help sellers determine which offers are the best and most competitive. For example, offers can be prioritized by those that are all cash, preapproved for a loan, will give the seller time to move, or are flexible and have few or no contingencies. Once the seller has selected his or her choices based on objective criteria, the seller can go through the selected offers. The listing should save the spreadsheet in the agent’s records.

31 . Seller’s Bias: Real Estate Love Letters

Many sellers get emotionally attached to their homes and want to see that property they’ve lovingly cared for is still being cared for. Therefore, it is not surprising that sellers want the potential home buyer to take good care of the seller’s property after they buy it. In a competitive, seller’s market, homebuyers want to sway the seller to accept their offer. Consequently, the hopeful buyers write “love letters” to the sellers. A love letter from a prospective buyer adds that distinctive touch many sellers value. It is not surprising that many sellers are moved by personal details, above and beyond the terms of an offer.

Although love letters have been part of the super-competitive real estate market for years, they are coming under scrutiny. Some people say there is possibility of implicit bias or unintended discrimination on the part of the buyers or sellers. Could love letters violate the Fair Housing Act? Actually, they could even though neither party is attempting to discriminate.

However, there could be an ulterior motive behind a love letter. Some people may try to get around fair housing laws by saying things in the love letter to indicate their race, religion, national origin, etc., which could bias a seller. Then, if the seller selects (or rejects) a buyer based on the personal information in the love letter, the law has been broken.

At one time, buyers included a photo so the seller could connect personally with the names they see on the contract. Now, that wouldn't be a good idea because a buyer whose offer was rejected could claim the seller didn't accept their offer because of their race, color, national origin, religion, sex, disability, or familial status.

32 . Seller's Bias: Sample Love Letter #1

As you can see, the following love letter is full of descriptions that could cause unintended illegal discrimination in housing. The letter refers to marital and familial status, religion, and age.

Dear Sellers of 123 Maple Court

My husband and I viewed your beautiful home during the open house held by your real estate agent last Sunday and immediately fell in love with it. We currently live in the area and have friends in the neighborhood. We've been married for five years and have a 3-year-old little girl named Emma. Emma is going to be a big sister in about 4 months.

The floorplan is absolutely perfect for our growing family with three bedrooms and two baths upstairs and the extra bath and guest room downstairs. We're hoping my elderly mom can move in with us after the new baby arrives. Everyone will be together to decorate the Christmas tree in front of the picture window in the living room and enjoy all the holiday celebrations.

We love the vegetable garden and would like to expand it to include an area for fresh herbs. The back deck is a perfect spot to reflect and unwind after a busy day. If we are fortunate enough to buy your house, we will continue to maintain it with love because we see this as our forever home.

As you can see from our attached offer, we are comfortable with a quick three-week close without any financing contingencies.

Sincerely,

Jimmy and Susie Winters

33 . Revised Love Letter, Example #2

The first example of a love letter could be considered in violation of the Fair Housing Act. The revised letter still expresses how much the Winters want the home without breaking the law.

Dear Sellers of 123 Maple Court

We viewed your beautiful home during the open house held by your real estate agent last Sunday and immediately fell in love with it. It is easy to see the care you put into making this house so warm and inviting.

Your home seems like the perfect fit for us. We love the vegetable garden and would like to expand it to include an area for fresh herbs. The back deck is a perfect spot to reflect and unwind after a busy day. If we are fortunate enough to buy your house, we will continue to maintain it with love because we see this as our forever home.

As you can see from our attached offer, we are comfortable with a quick three-week close without any financing contingencies.

Thank you for considering us as the new owners of this warm, beautiful home.

We look forward to hearing from you.

Sincerely,

The Winters

34 . Seller's Bias: Real Estate Love Letters are Under Scrutiny

The love letter, always a topic of debate among real estate agents regarding whether it is necessary, is now being discouraged or even banned. Although they are not illegal, there is a growing trend against love letters. For instance, the National Association of REALTORS (NAR) and other state real estate associations have flagged love letters as a practice that may not be motivated by discrimination but may still have a discriminatory effect. For example, the California Association of Realtors issued new guidance and increased awareness of fair housing laws. Guidelines released in October 2020 discourage home sellers from viewing personal letters, photos, or videos that potentially could lead to biases based on the protected classes.

However, if buyers still want to write personal letters (and many do) they should focus on their love for the home and neighborhood. A buyer could write that he or she really likes the deck, with outdoor kitchen and fireplace or that the buyer intends to live in the home and not just flip it. In most states, letters that do not include any kind of information about protected classes or photos are fine. It is up to the sellers and their agents to view it or not.

35 . Love Letters: Viewpoint of NAR and State Associations

So that discrimination and favoritism does not happen in the homebuying process, the National Association of REALTORS (NAR) released guidance on love letters for its members, advising agents that love letters can be a liability. NAR recommends that its member agents should not draft, read, deliver, or accept love letters. But such guidance isn't law, and the practice continues to be legal.

NAR Best Practices for Buyer Love Letters

- Educate your clients about the fair housing laws and the pitfalls of buyer love letters.
- Inform your clients that you will not deliver buyer love letters and advise others that no buyer love letters will be accepted as part of the MLS listing.
- Remind your clients that their decision to accept or reject an offer should be based on objective criteria only.
- If your client insists on drafting a buyer love letter, do not help your client draft or deliver it.
- Avoid reading any love letter drafted or received by your client.
- Document all offers received and the seller's objective reason for accepting an offer.

36 . Love Letters: Viewpoint of NAR and State Associations (cont.)

Buyers can say whatever they want and can send letters, but NAR advises its members to avoid love letters in a recognition that there could be the appearance of discrimination, even if there is no legal consequence. The NAR guidance is a warning for agents and their clients to be conscientious. If sellers want to accept letters from buyers, sellers and their agents need to document that the decision to accept an offer had nothing to do with race, national origin, religion, or other protected classes.

Although NAR is against the practice of writing love letters, it cannot dictate whether a buyer wants to write one. However, an agent can refuse to attach one to the offer. Agents should always document the reasons the seller chose the offer in case the buyer does submit such a letter on their own to a seller.

37 . Love Letters Best Practices

Brokers should provide regular training to their agents and employees on housing discrimination issues and ways to avoid liability under fair housing laws. While compliance policies are set by each brokerage, real estate licensees (both seller's agents and buyer's agents) should discuss love letters with their clients at the beginning of the agency relationship.

Sellers who do not want to accept love letters should instruct their agents in writing that love letters will not be accepted in any transaction. Seller's agents can include in the MLS remarks that love letters will be rejected.

It is not illegal for buyers to write a real estate love letter to a seller. However, the letter should describe the features of the property and the features of the buyer's offer rather than be an exposé on the buyer and his or her family.

38 . Summary

This concludes Chapter 4. Below is a brief summary which you can review before taking your quiz.

Misunderstandings about other people's cultures and backgrounds can get in the way of a successful real estate career.

Obviously, cultures are different, but individuals are more than just their culture. Each person is unique because of his or her personality style, thinking style, assertiveness level, religion, likes and dislikes, education and knowledge, goals and ambitions, political views, lifestyle, and many other things. Since no two people are identical, we must learn to accept people for who they are, not who we want them to be.

Dutch organization theorist, Fons Trompenaar, studied cross-cultural communications and speculated that national cultural differences can be expressed in seven ways, which he called dimensions. Each dimension contains two opposites. In determining how people from diverse cultures can communicate effectively, the most important aspect is when people from different cultures can make adjustments in their behaviors with each other.

The key to effective communication is stop assuming that others share our beliefs, perspectives, values, and motivations. The way to deal successfully with people from different backgrounds is to create a comfortable environment for open, honest communication.

Frequently, in seller's markets with multiple offers a homebuyer might write a "love letter" or a "pick me letter" to convince the seller to accept his or her offer. A love letter from a prospective buyer adds that distinctive touch many sellers value. Currently, love letters are coming under scrutiny because there is possibility of unintended discrimination on the part of the buyers or sellers. Sellers may choose not to accept love letters and instruct their agents, in writing, to reject love letters from buyers. The best advice selling agents can give prospective buyers is to let the offer do the talking.

39 . Summary (cont.)

Key Terms

Assertiveness. The power we use to make our needs, wants, and desires known to others.

Feelers. Kinesthetic people prefer to receive information in person.

Hearers. Auditory people will ask for information in an auditory form.

Implicit bias. The bias or attitudes towards people that is present but not consciously held or recognized.

Love letter (pick me letter). A letter written by a prospective buyer to convince the seller to accept the buyer's offer.

Platinum Rule. "Treat others the way they would like to be treated."

Seers. Visual people prefer to receive information visually.

Click here if you would like to open this summary as a pdf, which you can then print or save to your device: [Chapter 4 Summary](#).

Next up, a quiz. Good luck!

40 . Chapter 4 Quiz